



## Message from the Executive Director

March 31, 2010

Dear TSP Participants:

Have you taken a close look at your finances lately? Do you know how much you have in savings or how much your debt is costing you? Do you know if you have adequate insurance or if you've missed out on any tax deductions? If you don't know the answers to these questions, then it's time for a checkup. April is Financial Literacy Month, a nationwide initiative supported by public and private organizations whose goal is to emphasize the importance of smart money management. You can visit [www.financialliteracymonth.com](http://www.financialliteracymonth.com) where you'll find tools and worksheets to help you on your path to financial wellness.

A critical part of that wellness is your retirement. At the TSP, one of our goals is to provide you with information to help you plan for the years after you've stopped working. According to the Employee Benefit Research Institute's (EBRI) 2010 Retirement Confidence Survey, 27% of workers surveyed said that they have less than \$1,000 in savings, and more than half reported that the total value of their savings and investments (excluding their primary residence and any defined benefit plans) is less than \$25,000.

Those statistics are alarming, especially when you consider that absent a substantial defined benefit (pension) plan, the primary source of your retirement income will be the money that you set aside yourself. But for many people, the hardest part is knowing where to begin. For example, have you calculated how much income you think you'll need in retirement? The EBRI survey indicated that less than half of workers have even tried to make that determination.

That's why it's important to have a plan. One place to start is the TSP website, [www.tsp.gov](http://www.tsp.gov), where you can use the online calculators to estimate how much you'll need to save for retirement or project what your current account balance may grow to in the future. You can also learn about all of the TSP funds, including the Lifecycle (L) Funds, which allow you to choose an investment tailored to the time when you think you'll begin withdrawing your TSP account. Saving with the TSP is easy because your contributions come out of your pay before taxes are withheld. It's also inexpensive — our administrative expenses are far below the market average, which means you get to keep more of your money.

For more information, I encourage you to read the April issue of the *TSP Highlights* newsletter. The feature article tells the tale of two investors and illustrates the consequences of not having a plan. Let this be the month that you focus on yours.

Gregory T. Long  
Executive Director